

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Global Reseller Expedited Package Contracts
(MC2010-21)
Negotiated Service Agreement

Docket No. CP2011-67

PUBLIC REPRESENTATIVE COMMENTS IN RESPONSE TO
UNITED STATES POSTAL SERVICE NOTICE REGARDING ENTRY INTO AN
ADDITIONAL GLOBAL RESELLER EXPEDITED PACKAGE CONTRACT
NEGOTIATED SERVICE AGREEMENT

(August 12, 2011)

Background

The Public Representative hereby provides comments pursuant to Order No. 790¹. In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on the Postal Service's notice announcing that it has entered into a Global Reseller Expedited Package (GREP) contract. The notice (at 3-6) discusses the terms of the instant contract and notes that it is a renewal of the first GREP contract².

The GREP NSA classification was proposed in Docket No. MC2010-21. In Order No. 445, the Commission approved the GREP Contracts 1 as a product and included within the product the negotiated service agreement submitted in Docket No. CP2010-36.

¹ Commission Order 790, [Notice and Order Concerning](#) an Additional Global Reseller Expedited Package Contract Negotiated Service Agreement, August 4, 2011.

² See Docket No. CP2010-36.

Functional Equivalence

The Postal Service notes that the proposed contract is a renewal of the contract previously filed in CP2010-36. Accordingly, the instant contract is between the same parties and covers the same products. The Postal Service notice highlights the differences between the proposed contract and the previous contract. See Notice at 4-6. The biggest difference between the instant contract and the previous contract is that “Qualifying Mail” under the instant contract excludes EMI and PMI flat-rate boxes. However, these differences do not appear to be significant enough to alter the functional equivalency of the instant contract with previous GREP contracts.

39 USC 3633(a) Requirements

The supporting cost data in the worksheets filed under seal suggest that the instant GREP Contract covers its attributable cost, does not result in subsidization of competitive products by market dominant products, and should have a positive effect on competitive products’ contribution to institutional costs. Thus, the requirements of 39 USC 3633(a) appear to be met. Consequently, the contract appears to satisfy USC 3633 and be in the financial interest of the Postal Service.

Conclusion

The Public Representative, after reviewing Postal Service’s notice and materials filed under seal, concludes that the pricing in the instant GREP contract satisfies the statutory requirements for competitive NSAs. The contract also appears to meet the

requirements of 39 USC 3633(a). As such, the Public Representative recommends Commission approval of the proposed contract.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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